MID-ATLANTIC REGIONAL COUNCIL FOR SMALL BUSINESS TRAINING AND ADVOCACY

Minutes of Meeting, Annapolis, MD – October 25-26, 2005

Introductions

Mark Opilla, MARC President welcomed attendees, asked attendees to introduce themselves, and opened the meeting at 8:30 a.m.

Attendees: There were 49 attendees at the two-day meeting.

Committee Reports

Awards Committee, Gerald Furey: Nominations are being accepted for the annual MARC Individual Award. The council will again present two awards this year, one for individual support and one for team support. Instead of specific criteria, selection will be based on participation with the council and overall Small Business program support.

Freestyle nominations for the Individual Award are open as of the October meeting and are due by December 21, 2005, for presentation at the January meeting. Members are invited to nominate themselves or others. At this time, only individual nominations are being accepted.

Questions and nominations should be addressed to Gerald.Furey@navy.mil.

<u>Planning Committee, Helen Katz</u>: The next meeting is scheduled for January 18-19, 2006 in Atlantic City, NJ, at the Tropicana. Further details will be distributed in the near future.

Governance Committee, Jana Tull: The process to elect new officers for the MARC has begun. In accordance with the council bylaws, the executive board develops and distributes an initial slate of nominations. Additional nominations will be requested from the general membership, and a final slate will be emailed to all voting members in early December. Electronic votes will be accepted throughout the month. New officers will be announced via email and they will assume their duties at the January 2006 meeting, in Atlantic City, NJ.

At the October 24 Executive Board meeting, the following slate of nominations was developed: Chairperson – Christine Haber; Vice-Chairperson – Patricia Huber; Secretary – Carol Decker; Treasurer – Linda Owen.

Additional nominations from the general membership should be forwarded by December 1, 2005, to Jana.Tull@US.Army.Mil. Prior to nominating an individual, please obtain their consent.

Secretary, Carol Decker

The Executive Board is offering letters to member's activities, offices, or companies addressing ongoing support of MARC participation. An email request for support letters and samples of the letters will be issued to the members after the October meeting; requests for letters will be

accepted until December 7, with the correspondence to be released in mid-December. Direct any questions to Carol.Decker@sba.gov or Carol.Decker@Navy.mil.

Presentations and Speakers:

Robert Taylor, National Program Manager, Subcontracting Assistance Program, U.S. Small Business Administration.

The Electronic Subcontracting Reporting System (eSRS) is a web-based system for subcontract reporting that will replace the SF294 and SF295 paper forms. Initial system launch in October 2005 will include only non-DOD contracts. Once DOD is brought onboard during FY06, it will be a government-wide system and the only automated system authorized for subcontract reporting. DOD contracts will continue to be reported on paper SF 294 and SF 295 forms until eSRS is launched for DOD next spring. It is part of the Integrated Acquisition Environment, which ensures that all programs can "talk" to each other.

It will be linked with critical systems such as CCR (Central Contractor Registration), FPDS-NG (Federal Procurement Data System – New Generation), and DUNS numbers. When a contract is awarded with a subcontracting plan and has been correctly entered in FPDS-NG, then eSRS will automatically receive a record of it. However, those contracts not recorded in FPDS-NG or not entered correctly will create a situation where the contractor won't be able to enter his SF 294 – or ISR, Individual Subcontract Report – information at all.

Some of the system features include, easy identification of contracts having subcontracting requirements, automated completion and submission of ISR and SSR (Summary Subcontracting Reports) including annual SDB breakout reports with three-digit NAICS sub sectors, and when fully operational, automatic generation of Optional Form 312.

The eSRS system has been designed to calculate goal achievement, but not goal assignment. Contractors will provide the initial goal data as it appears in their negotiated subcontracting plans.

Other features include the ability for users to obtain breakouts of subcontracting data down to the buying activity level, generate standard and ad hoc reports, and generate automatic reminders or notices.

What should be entered into eSRS? With a few exceptions, all contractors holding contracts with civilian agencies (non-DOD) must enter their SSR (former SF 295) data for FY 2004 – the fiscal year that ended a year ago on September 30, 2004. GSA and NASA electronic subcontract reporting systems users are exempt from doing this. In addition, contractors holding contracts with civilian agencies must use eSRS for both ISRs (former 294) and SSR (former 295) data for the fiscal year that just ended on September 30, 2005. (There is no exception for GSA and NASA for the FY05 fiscal year data entry requirement.) There will be some cases where paper forms will continue to be used, when contracts are not reported in FPDS-NG. Examples include Medicare contracts and Federal Employee Health Care Benefit contracts.

Following this initial operating capacity (IOC), within 8 weeks, the system is expected to be at full operating capacity (FOC). FOC will bring an application interface that allows contractors using their own electronic reporting systems to upload data to eSRS, thus eliminating re-keying. In addition, FOC will let SBA Commercial Market Representatives (CMRs) run 5-year trend tables and SBA Form1907 for Desk Reviews, and will address DOD-unique needs, such as reports for comprehensive subcontracting plans.

FAR changes will be made to subpart 19.7 and to clause 52.219-9 and related clauses. One key change is that the prime contract number will be added to the flow-down provisions, requiring that the prime contract number be a mandatory field in eSRS for both prime and subcontractors. This is necessary to achieve lower-tier reporting capability. A Proposed Rule or Interim Final Rule is expected to be released by the FAR Small Business Committee outlining these and other changes.

The www.esrs.gov website has a link to a help desk for questions and assistance.

Edward Girovasi, Director, Policy and Field Operations Division, Office of the Chief Procurement Officer, Department of Housing and Urban Development.

Cascading set-asides are a way to achieve small business goals using multi-tiered competition. By definition, a cascading set-aside is a multi-tiered competitive small business set-aside with a source selection process. All types of businesses may submit offers but offers are considered in hierarchical tiers. Offers may cascade to a lower tier if there's inadequate competition at the higher tier, and an award will be made at the highest tier at which adequate competition exists.

Cascades originated with the HUD Real Estate Owned Single Family Management and Marketing Contracts. These were new efforts for HUB and industry where the number of qualified sources was unknown. Small business property management firms protested to SBA that there was not small business set-aside in place and alleged that the buy was a bundle. HUD needed small business participation.

The goal was for HUD to provide contract support for a wide range of services in large service areas, ensure uniformity in service delivery, and provide opportunities to small businesses. It was new, complex, and had an unknown universe of qualified small suppliers plus there was a strong need to minimize the possibility of having to re-procure should a set-aside be initiated but resulting sources inadequate for award.

HUD and SBA decided to establish a reasonable number of geographic service areas and designate those service areas most appropriate for set-asides. Then, using the idea of a cascading set-aside process they could reach out to all business types but give preferences to small and small disadvantaged businesses.

The plan was to make competitive awards by first considering all eligible 8(a) firms submitting offers; then, if insufficient 8(a) competition was achieved, second consider all eligible small

business offers; then, if insufficient small business competition was achieved, finally consider all offers on an unrestricted basis.

The result was that 55 firms submitted 430 proposals, and 16 major contracts were awarded. Five went to small businesses and one to a small disadvantaged business, for \$927 million total award value that included \$220 million awarded to small and small disadvantaged businesses.

Both the GAO and Court of Claims have upheld the use of cascading set-asides in several cases, and GAO in one case stated, "a solicitation provision stating that a section 8(a) set-aside will become a small business seta-aside if fewer than two acceptable offers from 8(a) firms are received is not contrary to statute or regulation, or unfair to small businesses" (B-281352, B-281353). Other examples of GAO language supporting cascades can be found in B-289277, B-290676, B-290676.2, and B-290925.

Cascading set-asides present new challenges today with more set-aside programs (e.g., HUBZone, SDVOSB), which cause greater complexity in creating the cascades. The approach is best used when the requirement is a new one, there is no precedent of performance by a small business, and market research is inconclusive. The 8(a) threshold for competition should also be a factor in deciding whether the cascade should include 8(a) small businesses. The approach is not recommended when market research shows that there are adequate sources for traditional set-asides, or that a small business is currently performing the work.

Before initiating a cascade, consider the activity's small business goal achievements, so that any areas of under-achievement can be included if possible. Always try to restructure requirements so that traditional set-asides are possible, seeing whether work appropriate for small businesses can logically be segregated from the overall requirement.

When designing a cascade, ensure that the small business program hierarchy is followed, with 8(a) and HUBZone being the first considerations, followed by SDVOSB and other small businesses, and unrestricted procurements at the lowest tier. Not all business types need to be included, and numerous configurations are possible.

When evaluating offers, begin with the highest tier and if there is inadequate competition, only then proceed to the next lower tier, continuing as needed to achieve adequate competition. It's important to watch for tiers that don't cascade (e.g., not all 8(a) firms can cascade to certified HUBZone firms), ensure that lower tier prices are not used until the lower tier is reached, obtain proper 8(a) offer and acceptance documentation from the SBA, and don't create tiers that do not exist in statutory authority – there is no women-owned set-aside so there can be no tier for it.

Cascading set-asides are an effective tool providing the requiring activity understands it, offerors are given clear direction, the solicitation is followed explicitly, and it is not used as a substitute for doing market research.

Barbara Little, Director, Small Business Program, Defense Contract Management Agency (DCMA).

DCMA is working to eliminate organizational distractions and concentrate on achieving customer outcomes. They are realigning mainly by product lines and by institutionalizing a performance based culture, expanding enterprise thinking, focusing on what's important to our customers, identifying ways to remove organizational impediments to customer alignment, and fine tuning technical expertise in areas most important to meeting customer requirements.

Their first step will be to align Program Executive Officer (PEO) portfolios to a single executive. Then, field offices will be realigned to districts by PEO lead responsibility. Four areas of alignment include aeronautical, space & missiles, ground systems & munitions, and naval sea systems. In addition, the small business specialists have been aligned into virtual organizations defined by four categories: Comprehensive Subcontracting Plans, Mentor Prot?g? Program, along with the regions East and West.

She noted that DCMA is providing 100 percent feedback on subcontracting plans, but needs more time to review them, suggesting that requestors allow five days. Reviews may be requested for plans submitted by all vendors in the Competitive range, and because the process is now centralized you only need to contact one office for multiple reviews.

The small business subcontracting program evaluation means more than looking to see if goals are attained. For example, a program that exhibits a deep understanding of the industrial base may be successful even with relatively lower targets. These compliance reviews will be done by establishing a list of vendors to be reviewed yearly based, with a copy of the report going to the PCO and small business specialist.

In supporting the Comprehensive Subcontracting Plan Program, program managers (PMs) have been identified for specific prime contractors, who will perform full review all year long focusing on how the primes develop their forecasts, changes in what is being subcontracted, effectiveness of their outreach, and progress on their performance improvement initiatives. The mid-year, year-end and 640 reviews are still required, with copies going to the PCO, military service, and to OSD. PMs will brief review results to the military service and to OSD. The program objective will be to conduct reviews and negotiations in an integrated product team fashion.

DCMA will continue to perform pre-award subcontract reviews, but with some changes. All customer requests will be honored, but all requests will go to a central receipt point. That contact will perform a detailed review of what is being subcontracted and respond to the requestor. Their objective is to have 100 percent of these reviews done using the new methods by December of this year.

When a contract with a plan has been completed, the PCO will receive feedback that will include recommendations for any future contracts with the same contractor and results of the most recent compliance review.

In the area of post-award compliance reviews, they are shifting from a set schedule to period monitoring. PCOs and military service small business offices will receive this information, along with the prime contractor. DCMA is headed toward an alignment based on buying activity with Customer Liaison Representatives.

Additional changes will be seen in the Mentor-Prot?g? Program, including reviews to provide more analytical data and to recommend corrective actions, DCMA involvement to approve all credit agreements, division reviews on both mentors and prot $\Box\Box$, and more involvement with the customer on agreements and performance.

DCMA performed a special study of their comprehensive subcontracting program contractors to determine if small business performance could be improved, transform how they negotiate with the contractors, and establish benchmark performance levels. Contractors reviewed included Raytheon, Boeing, Lockheed Martin, Textron, Northrup Grumman ACS, and GE, who were not meeting DOD goals or who were having negative trends. The Center for Naval Analysis obtained and analyzed data, making final recommendations in the resulting report. The study concluded that contractor performance can be improved, DOD goals can be met in most cases, and that major changes are needed to the program.

A copy of DCMA's new Small Business Operations Center Geographic Organization chart has been posted to the MARC website, under meetings and events, fall meeting October 2005, presentations. Visit www.dcma.mil and click on the link to CAS directory to find the DCMA office responsibilities for your product line – assignment of DCMA offices will no longer be by Zip Code.

Vincent Rice, Industrial Specialist, U.S. Small Business Administration.

<u>Hurricane Relief Contracting Opportunities 1-800 Number</u>: The SBA and GSA are partnering to provide a toll free telephone number to help small businesses learn about hurricane relief efforts, contracting and rebuilding opportunities. Dialing 1-800-FED-INFO (1-800-333-4636) will connect to a customer service representative from GSA who will field the calls and direct the callers to a SBA district office representative. Each SBA district office has designated personnel to respond and make further referrals as necessary.

<u>HUBZone Program Notes</u>: The SBA office of government contracting recently clarified that a HUBZone certified small business that was forced to temporarily relocate after either Hurricane Katrina or Rita shall continue to be considered a certified HUBZone small business until further notice. Also, a reminder that last December, President Bush signed into law a measure that designates all bases already closed and any which may close through future BRAC actions as HUBZone locations. To find out if a specific address is located in one of the new HUBZone BRAC locations, go to www.sba.gov/hubzone and use the mapping tool.

<u>SBA-DOD 8(a) Partnership Extended</u>: The cooperative agreement that allows contracting activities to make direct award of 8(a) purchase orders to eligible 8(a) participants has been extended to September 30, 2006. For details, the agreement and extension are posted at www.acq.osd.mil/sadbu under policies.

<u>Very Small Business Pilot Program Not Extended</u>: This program, described at FAR 19.9 has not been extended and is therefore terminated.

Non-manufacturer Waiver List – Individual Waivers: Federal contracting officers can request individual (solicitation-specific) waivers when they determine that no small business manufacturers exist for what they are buying. An individual waiver request normally takes about 15 working days to process if complete information has been provided. Additional details including required information, mailing addresses and fax/phone numbers can be found at www.sba.gov/gc/ under programs to assist businesses, and Waivers of the Nonmanufacturer Rule. It also describes the process to request a waiver for an entire class of items.

<u>Bundling Reminder</u>: In January 2005, an additional requirement was added to the "bundling" guidance at 13 CFR 125.2 Prime Contracting Programs, requiring certain elements of agency oversight.

- (e) OSDBU Oversight Functions. The Agency OSDBU must:
 - (1) Conduct annual reviews to assess the:
- (i) Extent to which small businesses are receiving their fair share of Federal procurements, including contract opportunities under programs administered under the Small Business Act;
 - (ii) Adequacy of the bundling documentation and justification; and
- (iii) Adequacy of actions taken to mitigate the effects of necessary and justified contract bundling on small businesses (e.g., review agency oversight of prime contractor subcontracting plan compliance under the subcontracting program).
- (2) Provide a copy of the assessment under paragraph (e)(1) of this section to the Agency Head and SBA Administrator.

Nominations Sought For SBA Awards:

Due December 16 – SBA National/Regional Small Business Prime Contractor of the Year Award, nominated by federal contracting activities. (SBA Area 2 POC is Vincent.Mazzotta@sba.gov, 215-580-2809)

Due December 16 – SBA National/Regional Small Business Subcontractor of the Year Award, nominated by large business prime contractors. (SBA Area 2 POC is Vincent.Mazzotta@sba.gov, 215-580-2809)

Sherry Rose, Marketing Specialist, New Jersey Institute of Technology, Procurement & Technical Assistance Center (PTAC).

Radio Frequency Identification, or RFID, technology is a way to identify a unique object or person using a radio frequency transmission. RFID tags can be programmed to receive, store, and transmit information such as serial numbers, place of assembly or personal information such as healthcare records.

RFID systems have three main components: the tag, the reader, and the host. Tags have three parts: a chip to hold information, an antenna to transmit information, and packaging to attach the

chip to an object. A variety of power sources makes three types of tags – active, passive and semi-passive.

Active RFID tags are used on freight containers and air pallets, and are not normally applied by commercial suppliers. Passive tags, used on cases and pallets, and in item packaging, are the ones that commercial suppliers will be contractually obligated to apply.

Active tags have their own power source to send a strong signal – up to 300 feet – back to a reader, and are primarily used in transportation systems, including toll systems and trucking.

Passive tags do not have their own battery or power source, but reflect data to a reader in a range of up to 20 feet. Retail and transportation systems use passive tags. Semi-passive tags is essentially a passive tag that has a battery to power environmental sensors for temperature, shock or humidity. They are used in tracking refrigerated food items and hold more data than passive tags.

RFID tag types can be "read only" or Class 0, where information can only be read from an RFID device that's programmed at manufacture, or "user programmable" – Class 1 – with the ability to initialize a RFID device outside of the manufacturer's facility after manufacture.

Traditional bar codes will remain the dominant identification technology in most applications, although 2D bar codes have been adopted for some value-added applications. RFID will be increasingly adopted if non-line of sight, read/write, and multiple detection requirements are needed.

DOD's goals for the RFID program include increasing confidence in the DOD supply chain by using RFID, improving visibility of information and assets, improving efficiency of shipping, receiving and inventory management, and reducing shipping time and customer waiting time.

To illustrate the use of passive tags, the manufacturer would apply a passive tag to a case which would be associated with a pallet. The distribution center or depot then reads the cases/pallets when received and new shipments are labeled. Commercial and military carriers associate the cases/pallets with active RFID to provide total asset visibility. A network of linked readers provides continual asset visibility.

Active RFID tags are already operational with continual implementation. Passive RFID tag implementation is currently underway. Supplier implementation began in January 2005, for commodities like rations and packaged food, clothing, equipment, tools, repair parts and components being shipped to specific locations. All classes of commodities implementation at the container and pallet level will commence in January 2006, which includes the addition of subsistence and gratuitous health and comfort items, oils, packaged petroleum, lubricants, chemicals, construction and barrier equipment, ammunition, major end items, and medical materials being shipped to additional locations. In January 2007, the level of tagging will include UID item unit packs and all shipping locations will be included.

To prepare for implementation, DOD has prepared the distribution centers, developed the contractual requirements, and has developed data transaction and transmission capability.

The contractual requirements were published as a proposed DFAR clause in the *Federal Register* with public comment ending late June and the Office of Management and Budget released a final rule on September 13, 2005. For suppliers, the major requirements are passive tagging at the case and pallet level and Advance Ship Notice (ASN). DOD has established a website with additional information: www.dodrfid.org, and that includes the final rule that became effective on November 14.

Procurement Technical Assistance Centers have been assigned the responsibility to assist in distributing information on the status of DOD's implementation of RFID requirements. RFID questions can also be sent to implementation team at info@dodrfid.org.

The Tuesday session adjourned at 4:00 p.m. and reconvened at 8:30 a.m. on Wednesday.

William Cantrell, Deputy for Small Business, U.S. Army Engineer Research & Development Center.

ERDC R&D supports the Department of Defense and other agencies in military and civilian projects. Principle research mission areas include water resources (civil works), military engineering, battle space environment, military installations, and environmental quality. The ERDC was named the Army's Large R&D Organization of the Year in 2002.

Their unique research facilities and equipment include the DOD high performance computing center, the hazardous/toxic waste facility, a centrifuge, large physical models, and ice engineering facilities. They support DOD in various areas including environmental clean-up, cold regions engineering, water resources, survivability and protective structures, among others. Their work offers improvement to military engineering, battle space environment, and military installations. Their civil works in the area of water resources offers improvements in navigation, dredging, flood control and shore protection. In addition, they offer resources to deal with contaminated sediments, groundwater contamination, threatened or endangered species, invasive species, and to restore wetlands.

Their mission has great potential for using the HBCU/MI program (Historically Black Colleges and Universities and Minority Institutions). The HBCU list is defined in Title III, Higher Education Act of 1965 and by Executive Order 12232 of 1980; the list never changes. MIs include HIS (Hispanic Serving Institutions), TCU (Tribal Colleges and Universities), and Alaska Native or Native Hawaiian Serving institutions. Status can be confirmed by using the Central Contractor Registration (CCR) website (www.ccr.gov) and checking under Business Types/Grants for coding 1A – Minority Institution.

ERDC supports educational outreach at all levels. For Kindergarten to middle school they support a robotics competition, Annual Soil & Water Conservation Carnival, and more. For high school students, there are internships in science and engineering, apprenticeships, Engineering

and Construction Summer Camp, and temporary employment programs. At the college level, there is the Women in Science Project, summer research opportunities, co-op and career programs. For HBCU/MIs, they have established education partnering agreements.

ERDC uses the DFARs HBCU/MI set-aside provisions at 226.7003-1, which allows them to set-aside acquisitions for research, studies, or services normally obtained from higher educational institutions when they expect two or more HBCU/MIs to offer the appropriate talent at no more than 10 percent above non-HBCU/MI prices.

A dedicated point of contact is established for HBCU/MI interaction on research & development activities, contract research students, and when using small business innovative research or small business technology transfer programs. Since 2001, ERDC has consistently exceeded its HBCU/MI goal, usually by a large percentage. Some current examples of research projects supporting HBCU/MI students include: University of Hawaii Radar Winds in Typhoons; Alcorn State University Analysis of Biological and Sediment Samples Used to Detect Impacts of Beach Nourishment; University of Puerto Rico Development of Very High Strength Concrete Materials Against Blast and Projective Penetration, and Jackson State University High Performance Computing Visualization.

David Condon, Chief, Small and Disadvantaged Business Utilization Office, U.S. Army Soldier Systems Center.

The U.S. Army Soldier Systems Center (SSC), Natick, Massachusetts, is the Army's one-stop soldier-support organization. Natick is responsible for researching, developing, fielding, and managing food, clothing, shelters, airdrop systems, and soldier support items, as well as being responsible for the technology, development and engineering, fielding, and sustainment of military food, clothing, shelters, airdrop systems, and Soldier support items that protect and sustain America's military forces.

The goal is to provide America's soldiers with the best equipment in the world. To achieve this goal, the Natick team has consolidated full life-cycle management of soldier items into a one-stop, soldier support organization. The center is comprised of several DOD partners working together to leverage their expertise and technology.

Companies interested in doing business with SSC should check their website Doing Business With Us at http://www.natick.army.mil/soldier/business/content.htm. In addition to information on various types of grants and technology agreements, is a link to the Broad Agency Announcement (BAA). The BAA is an open solicitation for proposals. It is funded to fulfill requirements for scientific study and experimentation directed toward advancing the state-of-the-art or increasing knowledge and understanding as a means of eliminating current technology barriers. The BAA does not focus on specific systems or hardware solutions and is revised each year to reflect the Natick's R&D requirements. The solicitation is divided into several topic groups, e.g., clothing and food service. Each topic area describes technologies and products that are of interest to the NSC and gives a point of contact for that area. Detailed instructions on submitting a proposal are included in the official BAA. The BAA will fund programs, which

meet NSC R&D needs and show sufficient technical promise. The current BAA is available online at https://www3.natick.army.mil/ssbaa.htm.

Robert Yang, Program Manager, SBIR and STTR Programs; Acting Program Manager, Innovative Partnerships Program, NASA Langley Research Center.

Small Business Innovative Research (SBIR) and Small Business Technology Transfer (STTR) programs are congressionally mandated research & development (R&D) programs, featuring competitively awarded funds for small businesses. The focus is to meet the government's requirements for technology. They account for some \$2.2 billion annually and have become one of the largest government-industry partnerships in terms of annual budget.

At NASA, SBIR and STTR account for about \$130 million annually, and represent an investment to develop NASA mission-driven technology needs. Both programs have three phases with varying time frames and funding limits. During SBIR phase 1, feasibility and technical merit is examined, followed by phase 2 R&D, and then finally phase 3 technology insertion. Both programs allow NASA to benefit from innovations in phases 1 and 2, later helping others share those innovations in phase 3.

To be eligible for SBIR, firms must meet the SBA's definition of a small business, and for STTR, it must be a non-profit research institution and meet other eligibility requirements. Potential participants should go to www.sbir.nasa.gov to view the solicitation, FAQs, points of contact, and videos.

As part of the overall strategy for using SBIR/STTR, both NASA and industry lead "infusion conferences" and NASA encourages company mentoring sessions. The conferences provide access to a larger population of small businesses, facilitates the system integrator's access to emerging technology, and helps organizations meet their small business goals. After the system integrator identifies a need, NASA nominates SBIR/STTR firms from which the integrator invites participants, coordinating with NASA. Firms present their business case to become a partner with the integrator, but NASA provides follow-up, tracking and reporting the outcomes.

Mr. Yang discussed various examples of how the SBIR and STTR programs have produced products that benefit the general population, whether by promoting healing through innovative means of administering cancer drug therapy, or by making a higher quality parachute. He concluded by pointing out that the programs facilitate transition of SBIR innovations to the next phase of development, and encourage value-added "spin back" for government applications.

The meeting adjourned at 12:00.

Respectfully submitted, Carol S. Decker, MARC Secretary